

Message Text

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PAGE 01 FRANKF 04852 311546Z

42

ACTION EB-11

INFO OCT-01 EUR-25 ADP-00 DODE-00 NSAE-00 RSC-01 TRSE-00

AEC-11 CIAE-00 COME-00 RSR-01 /050 W

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P 311444Z JUL 73

FM AMCONSUL FRANKFURT

TO SECSTATE WASHDC PRIORITY 4985

INFO AMEMBASSY BONN

AMCONSUL DUESSELDORF

AMCONSUL STUTTGART

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E.O. 11652: N/A

TAGS: ESTC, GW

SUBJECT: SEIZURE OF MEMORY UNIT BOUND FOR USSR, ETC.

EXCON FOR COMMERCE

REF: STUTTGART 0605; SHYBURGH/PENNINGER TELCONS

TELEX GMBH AND COD

TELEX COMPUTER GMBH, FRANKFURT, FULLY OWNED SUBSIDIARY OF
TELEX COMPUTER PRODUCTS, TULSA, OKLAHOMA. LATTER ALSO PARENT TO
TELEX, INTERNATIONAL AND TELEX WORLD EXPORTS. GERMAN IC
NO. 750058 OF TWENTY-FOUR APRIL, 1973, AUTHORIZES U.S. DOLLARS
TWENTY-SIX MILLION BY TELEX FRANKFURT FROM TELEX WORLD EXPORTS.
MEMORY SEIZED IS PART OF APPROXIMATELY U.S. DOLLARS 200,000
(SYSTEM 6330) SALES CONTRACT BETWEEN TELEX FRANKFURT AND COD
VERTRIEBSGESELLSCHAFT FUER DATENVERARBEITUNGSANLAGEN MBH,
DUESSELDORF SIGNED FEB TWENTY-EIGHT, 1973 (COPY CONTRACT AND
RELATED DOCUMENTS BEING POUCHED). FOUR DISC DRIVES (TYP 6316),
ONE CONTROLLER (TYP 6830), AND SPARE PARTS DELIVERED TO COD
PRIOR TO SEIZURE OF MEMORY UNIT (US TYP 6345-2). MEMORY UNIT
ITSELF TURNED OVER TO COD JULY SIXTEEN AND SPARE PART FOR IT
TURNED OVER JULY EIGHTEEN. DETAILS OF WHY
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PAGE 02 FRANKF 04852 311546Z

SEIZURE ON JULY SEVENTEEN MADE STILL UNKNOWN. SOME US DOLLARS

40,000 OF SPARE PARTS WERE NOT DELIVERED. (THEY ARE NOW IN TELEX, FRANKFURT, CUSTODY AND CAN BE EXPECTED TO REMAIN THERE.) HERBERT R SCHMIDT, TELEX MANAGER, CLAIMS THERE ARE NO OTHER SALES AGREEMENTS BETWEEN TELEX FRANKFURT AND COD AND THAT ONLY PREVIOUS DEALINGS WERE A PURCHASE OF USED IBM 360/40 FROM COD AND LEASE OF ANOTHER UNIT FROM COD.

PART OF SALES CONTRACT STATES EQUIPMENT WILL BE -INSTALLED WITHIN THE FRG" AT A "PLACE WITHIN THE FRG DEFINED BY COD." (THIS WAS BASIS SCHMIDT'S VERBAL ASSURANCE THAT COD HAD BEEN PUT ON NOTICE NOT TO RE-EXPORT*) THERE IS NO REPEAT NO SPECIFIC WARNING THAT DIVERSION IS CONTRARY TO US LAW.

AS PART OF CONTRACT, TELEX FRANKFURT TRAINED SEVERAL TECHNICIANS TO MAINTAIN EQUIPMENT, SINCE MAINTENANCE BY TELEX WAS INCLUDED. ACCORDING TO SCHMIDT, THESE MEN, WHOSE NAMES HE DOES NOT KNOW, WERE ALL GERMANS WHO SPOKE WITH A SCHWABIAN ACCENT.

COD'S CUSTOMER FOR 6330 SYSTEM, ACCORDING TO SCHMIDT WHO CLAIMS TO HAVE SEEN PERTINENT DOCUMENTS, IS SCHWAN, KG IN STUTTGART. (COD OWNERS KERN AND WEISE AS WELL AS PETER LORENZ MET WITH SCHMIDT FOR ABOUT THREE HOURS AFTERNOON JULY THIRTY.)

SCHMIDT CLAIMS NOT TO BE FAMILIAR WITH DENIAL LIST. (SAME, PLUS SUMMARY OF EXCON REGULATIONS, HAS NOW BEEN PROVIDED TO HIM BY EDO.) HE ALSO STATES HE HAS RECEIVED NO INFORMATION OR INSTRUCTIONS FROM PARENT FIRM RE EXPORT CONTROL MATTERS. FIRM HAS BEEN SELLING IN GERMANY SINCE SPRING, 1972. (SCHMIDT APPARENTLY UNDER CONSIDERABLE PRESSURE FROM HOME OFFICE TO SELL OR LOSE JOB*)

TELEX GMBH AND LORENZ
SCHMIDT RELATED THAT TELDATA, STUTTGART, VIRTUALLY BANKRUPT AND WHEN LORENZ DATE SERVICE, TO WHOM TELDATA COMPUTER SYSTEM SUBLEASED, DECLINED TO PAY DUE BILLS, HE DECIDED TO PULL OUT HIS PERIPHERALS. THIS WAS BEGUN ON JULY 29 WITH NO NOTICE GIVEN, AND PROMPTED PERSONAL VISIT BY PETER LORENZ JULY 30. AGREEMENT REACHED WHEREBY LORENZ WOULD PAY TELEX DIRECTLY AND LATTER WOULD RECONNECT PERIPHERALS. CONTINUANCE OF THE ARRANGEMENT CONTINGENT UPON ABILITY TO OBTAIN EXCON EXCEPTION. (SCHMIDT WORKING ON SUBMISSION NOW.)
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TELEX GMBH AND IBM
SCHMIDT STATED THAT IBM WAS EXERTING EVER MORE PRESSURE ON CLIENTS TO USE IBM PERIPHERALS, CITING MAINTENANCE COMPLIANCE AS THE PRINCIPAL LEVER. TO COMPETE, SOME THOUGHT, SERIOUS OR NOT, IS BEING GIVEN TO USING THE ROBOTRON 21, A DIRECT COPY OF THE IBM 360/30 NOW AVAILABLE IN EAST GERMANY.

COMMENT: SCHMIDT CORDIAL AND COOPERATIVE. EDO'S IN FRANKFURT, STUTTGART, AND DUESSELDORF COOPERATING TOGETHER ON CASE. RE BRANDT (STATE 141120): SCHMIDT MENTIONED THAT MANY SALESMEN IN GERMANY HAVE TWO PASSPORTS, BOTH LEGAL AND BOTH OFFICIALLY ISSUED BY FRG WHEN JUSTIFICATION GIVEN. THE KEEPING OF A PASS-PORT BY INDIVIDUAL EASTERN EUROPEAN COUNTRIES FOR WEEKS ON END PRIOR TO ISSUING A VISA IS APPARENTLY DEEMED SUFFICIENT JUSTIFICATION IF THE OWNER IS A SALESMAN COVERING THE EASTERN EUROPEAN AND/OR WORLD MARKET. HARLAN

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